

June 28, 2005

News Release

U.S. CHARGES EX-CEO WITH USING THE INTERNET FOR CHILD PORNOGRAPHY AND WITH OBSTRUCTION OF JUSTICE

DAVID N. KELLEY, the United States Attorney for the Southern District of New York and MARVIN WALKER, the Deputy Special Agent in charge of the New York Office of the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE) today announced that a federal grand jury has returned an Indictment charging ROBERT JOHNSON, 59, of Huntington, New York, with using the Internet to receive child pornography, possession of child pornography, and destruction of records in a federal investigation.

According to the Indictment unsealed earlier today in Manhattan federal court, JOHNSON, the former Chief Executive Officer of a publicly traded company headquartered in New York City (the "Company"), used a computer owned by the Company and assigned to him to download from the Internet at least two movie files that contain child pornography. After downloading these 2 files, JOHNSON possessed them on the hard disk drive of the desktop computer assigned to him by the Company.

As alleged in the Indictment, prior to May 3, 2004, ICE agents learned that JOHNSON, using the internet aliases "robjob714" and "jobobo55," through a computer using an internet protocol ("IP") address that the agents traced to the Company, had purchased memberships in websites believed to contain and distribute child pornography. On or about May 4, 2004, an ICE agent (the "ICE Agent") spoke to two executives of the Company and informed them that ICE was investigating usage of a Company computer to access Internet websites believed to contain and distribute child pornography, but did not tell the Company executives that ICE was investigating ROBERT JOHNSON. On or about May 4, 2004, one of the executives told JOHNSON, in substance, that the Company had received an inquiry from federal authorities concerning use of a Company computer to access Internet websites that contain and distribute child pornography.

According to the Indictment, on or about May 5 and 6, 2004, after learning that federal authorities had contacted the Company in connection with an investigation into the use of a Company computer to access Internet websites that contain and distribute child pornography, JOHNSON used a computer program 3 called "Evidence Eliminator" to destroy and obliterate more than 12,000 files from the hard disk drive of the desktop and laptop computers assigned to him by the Company. JOHNSON retired from the Company on or about May 14, 2004.

The defendant surrendered today and was scheduled to be presented before United States Magistrate Judge KEVIN N. FOX in Manhattan federal court. The case has been assigned to United States

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District Judge RICHARD J. HOLWELL. JOHNSON is charged in three counts in the Indictment. First, JOHNSON is charged with receiving and attempting to receive material that contained child pornography, as that term is defined in Title 18, United States Code, Section 2256(8)(A), and that had been mailed, and shipped, and transported in interstate and foreign commerce by any means, including by computer, to wit, JOHNSON downloaded at least two movie files named "real child rape" and "luciamin," both of which contain images of child pornography, from an Internet website located outside of New York State. If convicted on this count, JOHNSON faces 20 years' imprisonment, including 5 years minimum mandatory imprisonment.

Second, JOHNSON is charged with possession of child pornography that had been mailed, and shipped, and transported in interstate and foreign commerce by any means, including by computer. If convicted on this count, JOHNSON faces 10 years' 4 imprisonment.

Third, JOHNSON is charged with unlawfully, willfully, and knowingly, destroying a record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States, in violation of Title 18, United States Code, Section 1519 – an obstruction of justice statute enacted as part of the Sarbanes-Oxley Act of 2002. If convicted on this count, JOHNSON faces 20 years' imprisonment.

JOHNSON therefore faces a combined maximum of 50 years' imprisonment, including a mandatory minimum term of 5 years' imprisonment. Each of the three counts also carries, upon conviction, a maximum fine of \$250,000.

Mr. KELLEY stated: "This case demonstrates our commitment to pursuing and prosecuting people who purchase child pornography over the Internet and thereby contribute to the expansion of the horrible business of child exploitation. In addition, the charges pursuant to the Sarbanes-Oxley obstruction of justice provision serve as a warning that the Justice Department will not tolerate purposeful attempts to obstruct federal investigations."

"Those who believe that cyberspace can conceal their online child pornography purchases are mistaken" said Walker. "ICE's Operation Predator has resulted in the arrest of nearly 6,000 individuals over the past two years, including many accused of downloading or subscribing to Internet child porn sites. Among those arrested to date are clergy, doctors, teachers, camp counselors, scout leaders, and many others from broad segments of our society."

Assistant United States Attorney JOHN J. O'DONNELL is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

ICE

U.S. Immigration and Customs Enforcement (ICE) is the largest investigative arm of the Department of Homeland Security (DHS). ICE seeks to prevent acts of terrorism by targeting the people, money and materials that support terror and criminal networks.

The information contained in this release was taken directly from a press release issued by the United States Attorney for the Southern District of New York.